

DEPARTMENT OF THE TREASURY
OFFICE OF THE FISCAL ASSISTANT SECRETARY
WASHINGTON, D. C. 20220

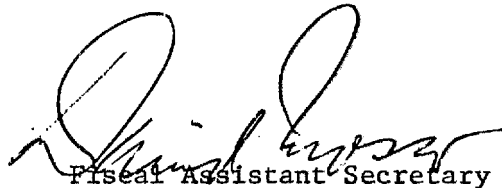
Transmittal Memorandum
Treasury Department Circular No. 577
First Revision

APR 30 1976

To: Heads of Departments, Agencies and Others Concerned:

The purpose of this memorandum is to transmit the First Revision of Treasury Department Circular No. 577.

Section numbering in Circular 577 has been amended to reflect the CFR numbering system. Section 261.3, herein, has been amended to reflect the still applicable portion of the now revoked section 2 of Circular 576 (31 CFR Part 260) and sections 261.7 and 261.8 herein have been amended to reflect the Fiscal Service Reorganization (Treasury Department Orders Nos. 229 and 229-1).



Fiscal Assistant Secretary

Attachment

(EXECUTIVE REGISTRY FILE *Treasury*)

REGULATIONS GOVERNING CLAIMS FOR REPLACEMENT OF VALUABLES,
OR THE VALUE THEREOF, SHIPPED PURSUANT TO THE
GOVERNMENT LOSSES IN SHIPMENT ACT

1976

Department Circular No. 577
(First Revision)

Department of the Treasury
Office of the Secretary
Washington, D. C. 20220

Fiscal Service
Bureau of Government Financial Operations

TO THE HEADS OF DEPARTMENTS, AGENCIES AND OTHERS CONCERNED:

The following regulations were published in the Federal Register
on May 12, 1976 , with minor variations in form:

TITLE 31 - MONEY AND FINANCE: TREASURY

CHAPTER II - FISCAL SERVICE
DEPARTMENT OF THE TREASURY

SUBCHAPTER A - BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

PART 261 - CLAIMS FOR REPLACEMENT OF VALUABLES, OR
THE VALUE THEREOF, SHIPPED PURSUANT TO THE
GOVERNMENT LOSSES IN SHIPMENT ACT.

Department Circular No. 577 (First Revision)

Part 261, Subchapter A, Chapter II of Title 31 of the Code of Federal
Regulations (also appearing as Treasury Department Circular No. 577 and
Supplements) is hereby revised to read as follows:

PART 261 - CLAIMS PURSUANT TO THE GOVERNMENT LOSSES IN SHIPMENT ACT.

Sec.

261.1 Scope of Regulations

261.2 Definitions

- 261.3 Shipping Procedure
- 261.4 Preparation of Shipment
- 261.5 Record of Shipment
- 261.6 Advice of Shipment
- 261.7 Report of Loss, Destruction or Damage
- 261.8 Claim for Replacement
- 261.9 Proof of Claim
- 261.10 Recoveries

Authority: The provisions of this Part 261 issued under section 6, 50 Stat. 480; 40 U.S.C. 728.

S261.1 Scope of Regulations

This Part governs the reporting of loss or destruction of, or damage to, valuables shipped pursuant to section 1 of the Government Losses in Shipment Act (hereafter the "Act") (40 U.S.C. 721) and proof of claim for replacement under section 3 of the Act (40 U.S.C. 723) by executive departments, independent establishments, agencies, wholly owned corporations, officers and employees of the United States, and Federal Reserve banks when acting on behalf of the United States or agencies thereof (hereafter "consignors"). Failure by any consignor or agent or employee thereof to comply with these regulations may delay recoveries, preclude reimbursement from the fund for the payment of Government losses in

- 3 -

shipment (hereafter the "Fund") or other relief under the Act, and render the consignor responsible for any loss occurring through such failure.

S261.2 Definitions

(a) The term "valuables" means any articles or things or representatives of value in which the United States has any interest, or in connection with which it has any obligation or responsibility, direct or indirect, and which have been declared to be valuables by the Secretary of the Treasury (hereafter "Secretary") pursuant to the Act, as listed in section 262.1 of this title.

(b) The term "shipment" means the transportation, or the effecting of transportation, of valuables, without limitation as to the means or facilities used or by which the transportation is effected or the person to whom it is made, and includes, but is not limited to, shipments made to any executive department, independent establishment, agency, wholly or partly owned corporation, officer, or employee of the United States, or any person acting on his or its behalf or at his or its direction.

(c) The term "replacement" means payment, reimbursement, replacement, or duplication or the expenses incident thereto.

(d) The term "carrier" means any person, corporation, or other entity which effectuates the shipment for consignors of valuables.

S261.3 Shipping Procedure

Shipments of valuables shall be made so as to provide the greatest possible protection against risk of loss and destruction of, and damage

to, valuables, in accordance with requirements prescribed by the consignors after notice to the Secretary.

S261.4 Preparation of Shipment

Each shipment shall be inspected and verified by two responsible employees of a consignor before final preparation (i.e., before sealing, locking, etc.) for delivery to the carrier. The shipment shall be finally prepared for delivery in the presence of the two employees and before leaving their immediate control. If strict compliance herewith is impossible or impracticable, administrative officers of the consignor shall make adequate provision, through the establishment of accounting controls or otherwise, for the maintenance of basic records which will enable them to prove, to the satisfaction of the Secretary, the extent of loss, destruction, or damage in connection with a claim against the Fund. The requirements of this section shall apply irrespective of the carrier or method of transportation employed in making shipments.

S261.5 Record of Shipment

(a) A record of each shipment shall be maintained by the consignor. The record shall include: (1) the name and address of the consignee designated to receive the shipment; (2) a complete description of the contents of the shipment (if the shipment is made up of securities, the record shall be maintained by issue, series, denomination and serial number, and a description of any coupons attached to such securities at the time of shipment); (3) the face or par value of the shipment in the case of securities, currency, etc., or the replacement value in the case

of other valuables; (4) the registry number or the lock and rotary numbers, if any, under which shipped; (5) the number of the registry receipt, or other receipt of the carrier; (6) the date and hour of delivery to the carrier; (7) a record of the signatures of the consignor's employees who verified the contents of the package and witnessed its sealing; (8) a record of the signature(s) of the consignor's employee(s) who thereafter had custody of the package until it was delivered at the post office for registration or deposited with the post office or other carrier for shipment; and (9) the name of the carrier.

(b) The consignor shall also preserve, until assured that shipment has been completed and no claims action will be initiated, all registry receipts or other carriers' receipts, and other documents incidental to the shipments.

S261.6 Advice of Shipment

(a) If the value of any one shipment to one consignee at one time by one consignor, except in the case of any intracity shipment or the shipment of registered securities by registered mail, equals or exceeds \$10,000, immediate notice thereof shall be forwarded by the consignor to the consignee by separate mail. Such notice shall include: (1) a complete record of the contents of the shipment; (2) the method of transportation employed and the name of the carrier; and (3) the date of delivery to such carrier.

(b) The consignee shall arrange that: (1) the shipment, when received, be opened and inspected by one or more responsible employees;

(2) immediate advice of any difference between the amounts or quantity indicated in the notice by the consignor to the consignee and in the shipment when opened be forwarded to the consignor; (3) the consignor and the post office, or office of other carrier through which delivery would be made, be notified immediately in the event of the failure of the shipment to arrive in due course; (4) the consignor be advised immediately concerning any damage to the shipment; and (5) all findings of the consignee in such cases be made a matter of record subject to the inspection of the Secretary or other Government officer, in connection with any necessary investigation.

S261.7 Report of Loss, Destruction or Damage

(a) If a consignor receives notice that loss or destruction of, or damage to, valuables shipped in accordance with the Act has occurred, an immediate written report shall be forwarded by the consignor to the Secretary, to the attention of the Bureau of Government Financial Operations, Division of Finance and Management Information, Washington, D. C. 20226. If the loss, destruction or damage represents a value equal to, or in excess of, \$10,000, or if delay in reporting is likely to delay the Government in recovering such valuables, the report shall be transmitted by wire and promptly confirmed in writing.

(b) The report shall state: (1) the date of shipment; (2) the amount and character of the valuables lost, destroyed, or damaged; (3) the name and address of the consignee; (4) the method of transportation, the name of the carrier, and the location of the office of the

carrier from which shipment was made; (5) the registry or other receipt number; and (6) the cause of the loss, destruction or damage, if known.

(c) The consignor shall immediately report the loss, destruction or damage to the agent in charge of the nearest United States Secret Service office, and to the local post office or local office of other carrier. The consignor shall also place a tracer on the shipment and take such other action as may be necessary to facilitate recovery.

S261.8 Claim for Replacement

Claim for replacement shall be made in writing to the Secretary, to the attention of the Bureau of Government Financial Operations, Division of Finance and Management Information, Washington, D. C. 20226, and shall be supported by "Proof of Claim" pursuant to S261.9. The claim, accompanied by a recommendation regarding the manner of replacement, shall be submitted through the head, of the consignor concerned, or his designee. The manner of replacement shall be determined by the Secretary in accordance with section 3 of the Act, i.e., by replacement out of the Fund or by a credit in the accounts of the claimant.

S261.9 Proof of Claim

The Secretary will require proof of claim in such form, and in such manner, as he deems necessary. Proof of claim will include satisfactory proof of shipment and satisfactory proof of loss, destruction or damage. The claim shall be supported by the original "record of shipment" required pursuant to S261.5, which will be returned after adjustment of the claim. The consignor shall submit a statement concerning the loss or destruction

of, or damage to, the shipment or any part thereof. If the shipment has been received by the consignee with contents not intact, such statement shall set forth all the circumstances relating to the condition in which the shipment was received and the manner of inspection and verification of its contents. Affidavits covering the loss, destruction or damage to the shipment shall be obtained from the consignee and the carrier. The consignor shall submit the statement and recommendations of the investigating officers.

S261.10 Recoveries

If relief is granted, the consignor shall take all necessary and reasonable steps to recover the lost, destroyed or damaged valuables, or their value. All recoveries and repayments, in connection with valuables for which replacement has been made out of the Fund, shall be forwarded to the Secretary for credit to the Fund.


Fiscal Assistant Secretary

Date:

APR 30 1978

REGULATIONS GOVERNING THE SHIPMENT OF VALUABLES PURSUANT TO THE
"GOVERNMENT LOSSES IN SHIPMENT ACT"

Department of the Treasury
Office of the Secretary
Washington, D. C. 20220

1976
Department Circular No. 576
Post Office Department Circular No. REG 1
(Rescission)

APR 20 1976

Fiscal Service
Bureau of Government Financial Operations

TO HEADS OF DEPARTMENTS, AGENCIES AND OTHERS CONCERNED:

Treasury Department Circular No. 576, dated July 16, 1937, is hereby
revoked.

The regulations promulgated pursuant to Treasury Department Circular
No. 576 (31 CFR Part 260) have previously been revoked. The revocation
was published in the Federal Register on July 10, 1973, and corrected on
August 20, 1973, (38 FR 18372, 38 FR 22373).

Shipping procedures heretofore covered by section 2 of Department
Circular 576 (31 CFR 260.2) are restated in section 2 of Department
Circular 577 First Revision (31 CFR 261.5).


Fiscal Assistant Secretary

	UNCLASSIFIED		CONFIDENTIAL		SECRET
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EXECUTIVE SECRETARIAT

Routing Slip

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4	S/MC				
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10	GC				
11	LC				
12	IG				
13	Compt				
14	D/Pers				
15	D/S				
16	DTR				
17	Asst/DCI				
18	AO/DCI				
19	C/IPS				
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SUSPENSE		Date			

Remarks: